

ATTACHMENT A
SPECIAL TERMS APPLICABLE TO THIS BPA

1.0 BPA Discount Structure

1.1 Software Products (SIN 132-33)

1.1.1 Software Products Discount Structure. Software orders placed against this BPA shall be discounted in accordance with the discount schedules of Attachment B hereto. Two types of discounts are offered based on volume per transaction and accumulated purchases over a two-year period as described below. Attachment B provides the percentage of discount and purchase volume levels for each type of discount. The Software List Price is defined as the published price, before discounting, as published in the GSA Contract at the time the order is placed.

1.1.1.1 Transaction Discount. A Transaction Discount is applicable to the total Software List Price of licenses placed under a single Delivery Order.

1.1.1.2 Accumulation Discount. In addition to the Transaction Discount, an Accumulation Discount shall be applied to the total Software List Price of licenses placed under a single Delivery Order. The Accumulation Discount is based on the cumulative DoD sales over a two year Accumulation Period as calculated on the net purchase price of Software licenses. Higher Accumulation Discounts shall be applied throughout the Accumulation Period immediately upon achievement of sales volume. The Accumulation Period is based on the previous two calendar years with the initial period commencing upon execution of Modification P00001 to this BPA and running through 3/31/2006. Each April 1 thereafter, the Accumulation Discount will be reset based on the cumulative sales for the preceding two years. Included in the cumulative total order amount for the initial Accumulation Period will be a net price of \$1,103,179 for an order placed prior to the modification, as mutually agreed.

1.1.2 DoD User License Type and Discount. The "DoD User License" is a user type available for customers licensing the SAP Business Suite under this BPA and is defined as a Named User who has the rights of a Professional User as defined in the GSA Contract plus transfer rights as defined in Section 1.1.8.2 below. The DoD User License is priced at a discount of 12.29% off the GSA List Price license fee for the Professional User before applying all other eligible discounts in Attachment B hereto. The DoD User License does not include the rights of a Developer User, and certain SAP Software products require licensing of the Developer User in addition to the DoD User License (refer to the GSA Schedule for specific requirements). Customers electing to license the DoD User type are not required to distinguish between the Professional, Limited Professional, and Employee User types for purposes of audit requirements. BPA customers may not mix license types and must elect to license either SAP standard Users, or DoD Users.

1.1.3 Converting Standard mySAP Users to DoD Users. Agency customers with standard SAP mySAP User licenses may convert existing licensed Users to DoD Users in accordance with the following formula. Only mySAP licenses are eligible for this conversion. Customers electing to convert must convert 100% of licensed standard mySAP Users to DoD Users. DoD Users may not be converted to standard mySAP Users. Additional license charges in conjunction with conversions shall be considered license purchases and included in the calculation of total DoD sales for the purposes of determining the Accumulation Discount.

Standard SAP User Category	Conversion Formula	DoD User Equivalent
Developer User	Converts as 1 for 1	Developer User
Professional User	Converts as 1 for 1	DoD User
Limited Professional User	2.53 Limited Professional Users = 1 DoD User	DoD User
Employee User	9.5 Employee Users = 1 DoD User	DoD User

1.1.4 Discounting Not Retroactive. The BPA discounting in 1.1.1 above will not apply retroactively to DoD orders placed prior to the effective date of Modification P00001 to this BPA.

1.1.5 Software Products Excluded from BPA Discounting. SAP may from time to time add Software products for offer under SIN 132-33 of the SAP GSA Contract that, due to third-party pricing limitations, are not subject to the Transaction and Accumulation Discounts published in Attachment B. Such excluded products shall be offered at the standard GSA Contract discounts only, however, the net purchase price of such excluded products shall be included in the computation of cumulative software purchases for the purposes of establishing the BPA Accumulation Discount. It is anticipated that such excluded products would fall only under the "Third Party" product section of the SAP GSA contract pricelist, and products under the "R/3" and "mySAP.com" headings are eligible for the BPA Discount in Attachment B. SAP shall notify the BPA Contracting Office when an ineligible product is added to the SAP GSA Contract.

1.1.6 Discount Treatment of Conversions/Upgrades and Credits for Prior Purchases. Conversions or upgrades purchased under this BPA (e.g. a customer conversion from an SAP R/3 system to an SAP mySAP system) will be treated as new orders eligible for discounting in accordance with Attachment B. Orders for conversions/upgrades are subject to the GSA Contract conversion pricing and credit policies currently in effect at the time an order is placed. After conversion to a mySAP system, such licenses would then be eligible for conversion to a DoD User License under Section 1.1.3.

1.1.7 Order Tracking. SAP is responsible for maintaining tracking records for orders placed including the installed base, total number of licenses, product type, Users and User type, and maintenance agreements. This information will be reported on a monthly basis via e-mail to the PCO and SPM. SAP shall also provide separate e-mail notification to the PCO and SPM when an Accumulation Discount threshold has been attained.

1.1.8 Software License Transfer Rights.

1.1.8.1 Customers with Standard SAP User Licenses. For customers with standard mySAP User licenses, provided these licenses are fully paid and maintenance coverage is current (whether paid by either the losing or gaining organization), SAP permits the transfer, at no additional license fee, of Software licenses ordered under this BPA among agencies within DoD, or permits the outsourcing of Software purchased under this BPA to contractors supporting DoD, subject to the execution of appropriate documents as between SAP and the transferee. Such transfer of Software licenses will be permitted for a period of up to seven (7) years from the date of original license under the following circumstances: (i) transfer of an entire work function between DoD agencies; (ii) outsourcing of an entire work function to a Government prime contractor; and (iii) transfer within the DoD service branch where the original license was purchased in downsizing situations. None of the transfer rights contemplated under this Section include rights to resell licensed Users or licensed Software. SAP will in good faith negotiate all other transfer requests.

1.1.8.2 **Customers with DoD User Licenses.** For customers with DoD User licenses, provided these licenses are fully paid and maintenance payments are current, SAP permits the transfer, at no additional license fee, of Software licenses ordered under this BPA among agencies within DOD, or permits the outsourcing of Software purchased under this BPA to contractors supporting DoD, subject to the execution of appropriate documents as between SAP and the transferee. Each Licensee organization is limited to two outgoing transfers per year unless otherwise agreed to by SAP whose consent will not be unreasonably withheld. In the case of new business requirements (new, not previously existing requirements in a specific DoD organization), incoming transfer licenses made under this Section may not exceed 50% of the total number of Users in the transaction (unused DoD User licenses in one DoD organization may be transferred to another DoD organization provided that no more than 50% of the requirement in the transferee organization may be satisfied using transferred DoD User licenses). A new business requirement is defined as a DoD requirement that is being satisfied through a solicitation issued under Full and Open Competition procedures.

1.1.9 **Special Terms Applicable to Outsourcing Arrangements.** The Ordering Agency may permit a services provider identified in writing to SAP in advance, to access the Software solely for the purpose of providing hosting, facility, systems, or disaster recovery services to Licensee in connection with the business of the Ordering Agency for which the Software is licensed, provided: (i) SAP, the Ordering Agency, and such services provider execute a Confidentiality Agreement in the form attached as Attachment C prior to such access; (ii) all employees of such services provider authorized to access the Software shall be licensed as Named Users; (iii) such services provider shall be permitted to Use the Software solely to operate the business of the Ordering Agency (or in the case of a disaster recovery vendor, to provide disaster recovery services only); (iv) under no circumstances may such services provider Use the Software to operate or provide processing services to any other party, or in connection with such services provider's own business operations; and (v) the Ordering Agency shall be responsible for any additional Software, migration tools, or third party software needed to effect such transition.

1.1.10 **Minimum Order Requirement.** The minimum order requirement for Software orders placed under this BPA is equal to the minimum ordering requirement per the GSA Contract.

1.2 **Installation and Implementation Technical Support (SIN 132-33)**

1.2.1 SAP installation and implementation professional technical support services under this BPA are offered at the discount rates listed in Attachment B hereto.

1.2.2 All installation and implementation professional technical support services will be performed in accordance with the GSA Contract.

1.3 **Maintenance (SIN 132-34)**

1.3.1 Attachment B provides the BPA discount structure and volume levels for Software Maintenance. Maintenance will be computed using the GSA Contract maintenance percentage factor in effect at the time an order is placed against this BPA. The maintenance factor for orders placed under this BPA may be negotiated on a case-by-case basis based on volume or other special circumstances.

1.3.2 Annual Maintenance Fees for Software orders placed under this BPA will be computed by applying the GSA Contract maintenance percentage factor to a base of the net license fee after standard volume discount, GSA discount, and additional BPA discounts are applied. If

maintenance is purchased separately (after purchase of license), the GSA Contract maintenance percentage factor will be applied to the net license fees as discounted in the original purchase, and applicable accrued maintenance fees and/or reinstatement fees will be assessed.

1.3.3 Treatment of Conversions/Upgrades. Maintenance base computations for conversion/upgrade orders are based on the amount before any credit for prior purchase.

1.4 Training Services (SIN 132-50)

SAP training services under this BPA are offered at the standard GSA Contract rates and discounts in effect at the time an order is placed. Subject to Section 2.0 below, additional discounting may be negotiated based on circumstances of individual orders.

2.0 Special Discounts and Special Circumstances

SAP and the Government may negotiate special discounts, terms or deviations for specific orders placed under this BPA based on extraordinary volume or other special circumstances.